

Socialization of Risk: Bankruptcy Law and Financial Institutions

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PANEL V

SOCIALIZATION OF RISK: BANKRUPTCY LAW AND FINANCIAL INSTITUTIONS

Hon. C. Boyden Gray†

INTRODUCTION

I will try to keep my own remarks to a minimum on the ground that it cuts into your time. My only comment about thrifts is to recall the statement that a congressman made after poor Ed Gray had spent some eighteen months or so trying to shut down Vernon Savings & Loan in Dallas, sometimes known as Vermin Savings & Loan. It was Vernon's yacht that had been used to wine and dine the thrift industry executives on the Potomac. Gray had been frustrated by a certain congressman, who happened at the time to be the Speaker of the House. According to one story, when Vernon was finally shut down, another congressman said that if this action by Ed Gray [(who is no relation to me, by the way)] is meant to be a signal to the Speaker, Ed Gray ought to be happy that the Speaker is an advocate for the homeless, because when his term is up at the Federal Home Loan Bank Board, he will be sleeping on a grate. That was always my favorite quote to use in describing where to place responsibility for the S&L problems.

I will first introduce Judge Easterbrook. And I am not really going to say much about any of these individuals because they are known to you all. Judge Easterbrook, on the Seventh Circuit, and Judge Jones, on the Fifth Circuit, are well known to everyone here. Professor Warren is less a public figure, but certainly well known as an academic figure. And Harris Weinstein has been a private practitioner, which is not dishonorable, at Covington & Burling. He clerked for Judge Hasty on the Third Circuit and worked for the Solicitor General from 1967 to '69; so he has actually had public experience before going on to be Chief Counsel at the Office of Thrift Supervision for Tim Ryan. So without taking any more time, I would like to introduce Judge Easterbrook.

† White House Counsel.